

POLICY ON REIMBURSABLE RESEARCH

Iss: 11/14/05; Eff: 10/31/05

SECTION 1. PURPOSE AND SCOPE.

.01 This Order establishes the National Oceanic and Atmospheric Administration's (NOAA) policy for reimbursable research by NOAA laboratories. The Order covers: 1) criteria for the acceptance of reimbursable research work by NOAA laboratories; 2) responsibilities for oversight of reimbursable research work; 3) mechanisms for elevating the level of oversight; and 4) a process for developing corrective action plans and granting exemptions. This Order applies to all NOAA laboratories as defined in Section 2.02.

.02 Pursuant to the Economy Act (Title 31 U.S.C. Section 1535) and other applicable statutes, NOAA cooperates with public and private agencies through reimbursable projects, consistent with the need to carry out its authorized programs and the general policies of the Federal Government in an effective and efficient manner. In general, reimbursable work (including reimbursable research work) may be accepted provided: 1) performance of the work will enhance NOAA's ability to fulfill its mission; 2) the work cannot be performed economically by the requesting agency with its own facilities or by government-wide service agencies; 3) the performance of the project by NOAA is in the best interest of the Federal Government; and 4) the work can be performed by NOAA more effectively than by the private sector due to NOAA's unique expertise and activities.

.03 Because of their unique expertise and capabilities, NOAA laboratories may conduct reimbursable research work for other agencies. The acceptance of reimbursable research work can result in significant benefits to both NOAA and the sponsoring agency.

.04 Reimbursable research work shall directly support NOAA's mission and not subordinate work supporting NOAA's mission priorities. The NOAA Strategic Plan, 5-Year Research Plan, 20-Year Research Vision, and the Planning, Programming, Budgeting, and Execution System (PPBES) serve as guidance in determining whether reimbursable research work may be appropriate at NOAA laboratories.

.05 In general, NOAA laboratories should obtain the majority of their funding support (more than 50 percent) from NOAA appropriated funds to ensure the respective

laboratories remain focused on NOAA's research needs. In addition, each NOAA laboratory should have sufficient NOAA appropriated funds to pay for all NOAA full time equivalencies (at least 125 percent) within the laboratory.

SECTION 2. DEFINITIONS.

.01 Research: Systematic study directed toward fuller scientific knowledge or understanding of the subject studied.

.02 NOAA laboratory: An internal NOAA institution or combination of NOAA institutions whose primary function is the performance of research and that are aggregated within a single Financial Management Center (FMC).

.03 NOAA appropriated funds: Funds enacted by the Congress for the National Oceanic and Atmospheric Administration.

.04 Reimbursable research work: Research work supported by funds other than NOAA appropriated funds.

SECTION 3. POLICY.

.01 This Order establishes criteria for the acceptance of reimbursable research work by NOAA laboratories, identifies oversight responsibilities, and provides a mechanism for developing corrective action plans and exemption requests.

.02 Laboratory Directors shall:

a. ensure that all reimbursable research work directly supports NOAA's mission, and does not subordinate work supporting NOAA's mission priorities. The NOAA Strategic Plan, 5-Year Research Plan, 20-Year Research Vision, and the Planning, Programming, Budgeting, and Execution System (PPBES) serve as guidance in determining whether reimbursable research work may be appropriate at NOAA laboratories.

b. ensure that reimbursable research funds are not used solely to cover shortfalls in funding needed to maintain laboratory programs and/or workforce.

.03 Assistant Administrators shall provide oversight and conduct annual reviews of reimbursable research work for NOAA laboratories under their purview to ensure compliance with Section 3.02 of this Order.

.04 The NOAA Chief Financial Officers (CFO) Council will evaluate reimbursable research funding at NOAA laboratories following the end of year close-out and submit the results in a report to the Assistant Administrators and the NOAA Research Council. A NOAA laboratory will be identified for higher-level review in the NOAA CFO Council report if:

- a. 50 percent or less of its total funding is from NOAA appropriated funding sources, and/or
- b. total NOAA appropriated funds for the laboratory is less than 125 percent of its total funding for all FTEs.

.05 Assistant Administrators shall develop corrective action plans or exemption requests for review by the NOAA Research Council for any NOAA laboratories under their purview that are identified for higher level review by the NOAA CFO Council.

.06 The NOAA Research Council shall review all proposed corrective action plans and exemption requests and forward them, along with its recommendations, to the Assistant Secretary of Commerce for Oceans and Atmosphere (hereafter, the Assistant Secretary) for approval.

.07 The Assistant Secretary shall review all proposed corrective action plans and exemption requests forwarded by the NOAA Research Council. The Assistant Secretary shall have the final approval authority or may, at his/her discretion, forward proposed corrective action plans and exemption requests to the NOAA Executive Council for its consideration and approval.

SECTION 4. RESPONSIBILITIES.

.01 The NOAA Executive Council, the Assistant Secretary, the NOAA Research Council, the NOAA CFO Council, Assistant Administrators, Laboratory Directors, and NOAA Program Managers shall provide management support to implement this policy and to develop and implement associated procedures.

.02 The NOAA Executive Council shall have final approval authority for corrective action plans or exemption requests forwarded by the Assistant Secretary.

.03 The Assistant Secretary shall review all proposed corrective action plans and exemption requests forwarded by the NOAA Research Council. The Assistant Secretary shall have final approval authority but may, at his/her discretion, forward proposed corrective action plans or exemption requests to the NOAA Executive Council for its consideration and approval.

.04 The NOAA Research Council is responsible for the following:

- a. reviewing results of the NOAA Chief Financial Officers Council assessments of reimbursable research work at NOAA laboratories;
- b. reviewing proposed corrective action plans and exemption requests submitted by Assistant Administrators;

- c. submitting proposed corrective action plans and exemption requests to the Assistant Secretary for approval;
- d. monitoring the implementation of all approved corrective action plans to ensure they are implemented in a timely manner; and
- e. issuing guidance and revising existing procedures as needed to support this Order.

.05 The NOAA Chief Financial Officers Council is responsible for performing annual assessments of reimbursable research funding for all NOAA laboratories following the end of year close-out and submit their results in a report to the Assistant Administrators and the NOAA Research Council.

.06 Assistant Administrators are responsible for the following:

- a. ensuring that the laboratories adhere to the requirements of this Order;
- b. performing annual reviews of their laboratories;
- c. providing monthly reports to the NOAA Chief Financial Officer and to relevant Program Managers on reimbursable funding and FTE usage;
- d. developing corrective action plans or exemption requests for any laboratory that does not meet the criteria in Section 3.04 of this Order; and
- e. ensuring that all approved corrective actions are implemented in a timely manner.

.07 Laboratory Directors are responsible for the following:

- a. ensuring that their laboratory complies with the requirements of this Order;
- b. working with their Assistant Administrator to develop corrective action plans or exemption requests as appropriate; and
- c. implementing approved corrective actions in a timely manner.

.08 Program Managers are responsible for reviewing the monthly Line Office reports on reimbursable funding, incorporating information on reimbursable research in the PPBES process, and assessing the relevance of the reimbursable research work to the program in which it resides. The NOAA Strategic Plan, 5-Year Research Plan, and 20-Year Research Vision will be considered in assessing the relevance of reimbursable research work.

SECTION 5. EFFECT ON OTHER ISSUANCES.

None.

Under Secretary of Commerce
for Oceans and Atmosphere

Office of Primary Interest:
Oceanic and Atmospheric Research
Policy, Planning, and Evaluation